

JAN 17 1992

**Federal Communications Commission
Office of the Secretary**

As explained below, the time is ripe for the Commission to investigate, on a public record, the proper administration of the NANP. The expansion of telecommunications services and the number of providers over the last 10 years has placed an enormous strain on the telephone numbering system in this country. As a result, telephone numbers are becoming an increasingly scarce resource and the administration of the numbering plan merits close Commission inquiry. Moreover, as the Regional Bell Operating Companies ("RBOCs") become increasingly involved in the provision of services beyond exchange communications, the propriety of Bellcore -- an

entity wholly owned by the RBOCs -- continuing in the role of NANP administrator should be reviewed.

I. THE COMMENTS ESTABLISH THAT AN INQUIRY INTO THE ADMINISTRATION OF THE NANP IS WARRANTED AT THIS TIME

The majority of the comments filed in this proceeding support the NARUC Petition and the initiation of a Commission inquiry into the administration of the NANP.¹ While the administration of the NANP by, first, AT&T and then Bellcore may have been appropriate in a monopoly environment, the telecommunications marketplace has changed dramatically in the last decade, justifying a careful review at this time of the policies and procedures for administration of an important and increasingly scarce resource -- the nation's telephone numbers.

In opposition to the NOI, a few Commentors argue that an NOI at this time would not serve the public interest because many numbering problems, such as the expansion CIC codes and the implementation of interchangeable NPA codes, are already

¹ See Comments of AT&T (filed Dec. 20, 1991); Comments of MCI (filed Dec. 20, 1991); Comments of United Telecommunications, Inc. (filed Dec. 20, 1991); Comments of Teleport Communications Group (filed Dec. 20, 1991); Comments of Metropolitan Fiber Systems (filed Dec. 20, 1991); Comments of the Florida Public Service Commission (filed Dec. 20, 1991); Comments of the Public Service Commission of the District of Columbia (filed Dec. 20, 1991); Comments of BellSouth (filed Dec. 20, 1991). In addition, the Comments of GTE, Pacific Telesis, and the NYNEX Telephone Companies partially support the Petition.

resolved or well underway.² These parties claim that Commission involvement could impede implementation of industry solutions. Other parties opposing NARUC's Petition simply claim that Bellcore and other industry forums are performing adequately and Commission involvement is unnecessary.³

CompTel disagrees. While the Commission is collecting comments and other evidence in an NOI proceeding, there is no reason why the NANP administrator and existing industry groups cannot continue to follow through on their numbering expansion programs unimpeded. If, in the course of conducting the NOI, the Commission discovers, for example, that the NANP has been administered in a discriminatory or otherwise improper manner, the damage can be stopped before it is too late.

A primary benefit of a Commission review of the NANP in an inquiry proceeding would be the development of a single, public record on the policies and guidelines governing number assignment. As evidenced by the comments filed in this proceeding, at present, decisions concerning the NANP are

² E.g. Comments of the Ameritech Operating Companies (filed Dec. 20, 1991); Comments of U S West Communications Inc. (filed Dec. 20, 1991); Comments of Southwestern Bell Telephone Company (filed Dec. 20, 1991); Comments of Bell Communications Research, Inc (Bellcore) (filed Dec. 20, 1991).

³ See Comments of Bellcore at 3.

made largely by Bellcore alone or Bellcore with the input of advisory industry groups.⁴ Although Bellcore represents that these industry forums are open to all participants,⁵ including the FCC, these proceedings are rarely "on the record." Moreover, the dissemination of information concerning these proceedings is scant until a final recommendation or determination has been reached. CompTel submits that the numbering issues identified in the NARUC Petition are too important to the future of telecommunications in this country to be decided by Bellcore and industry committees without the review of the FCC based on public record proceedings.

II. AT A MINIMUM, THE COMMISSION SHOULD REVIEW WHETHER BELLCORE IS THE PROPER PARTY TO SERVE AS ADMINISTRATOR OF THE NANP

The NARUC Petition raises several numbering issues that warrant Commission inquiry. However, at a minimum, the Commission should consider whether Bellcore continues to be the proper party to serve as administrator of the NANP or whether the time has come to appoint a more neutral party.

As reflected in a number of comments in this proceeding, there is a perception that Bellcore has the incentive and the ability to favor the interests of the RBOCs over their competitors. Moreover, it is expected that those incentives

⁴ See, e.g., id. at 4.

⁵ Id.

will only increase as the RBOCs continue to expand into competitive telecommunications markets.

For example, MCI stated in its Comments:

Bellcore has demonstrated a clear propensity to favor its owners when contention arises over limited resources. For example, early in 1991, Bellcore, allegedly based upon its forecasted demand for CIC codes, recommended to the industry that Phase I of CIC code expansion be delayed until 1994, and Phase II be postponed until 1997. Delay in the schedule was favored by the RBOCs because they could postpone investing capital to implement the expansion. Yet, less than a month later Bellcore approached the Commission asking that access purchasers be required to return CIC codes because of the shortages. This hardly demonstrates a neutral position. Further bias is evidenced by Bellcore's choosing to ignore its long-standing definition of "entity" in order to permit an assignment of a CIC code, in excess of the maximum number of allowable assignments, to itself and the RBOCs after conservation had been implemented.⁶

Two local fiber companies which now compete directly with the RBOCs at the local level, Teleport Communications Group ("Teleport") and Metropolitan Fiber Systems, Inc. ("MFS"), also expressed concern about Bellcore conflicts of interests in the number assignment process. Teleport noted that "the current administration of the NANP is anachronistic and needs serious review in order to become effective for today's modern, competitive telecommunications marketplace."⁷ Teleport further noted that, since the NANP administrator is

⁶ Comments of MCI at 5.

⁷ Comments of Teleport at 1 (emphasis in original).

currently owned by the RBOCs, "[t]he popular phrase 'the fox guarding the hen-house' comes to mind immediately."⁸

MFS communicated a similar concern:

Although competition in purely local service markets, and especially in switched services, is extremely limited at present . . . it is foreseeable that the LECs will face new entrants in many of their "core" service markets within the not-too-distant future. As this competition develops, the LECs will increasingly be tempted to use their control over the numbering system to put their competitors at a disadvantage; indeed, this is precisely what created the need for Commission intervention in the case of cellular interconnection.⁹

In addition to favoring the interests of the RBOCs, Bellcore has also made decisions that favor the interests of one interexchange carrier ("IXC") over others. For example, AT&T issued "proprietary" calling cards using Revenue Accounting Office ("RAO") codes assigned by Bellcore to certain LECs. The Department of Justice found that the BOCs, through Bellcore, were discriminating in favor of AT&T under the MFJ by allowing AT&T to use RAO codes for its calling

⁸ Id.

⁹ Comments of MFS at 5. See also Comments of AT&T at 3 (noting that "the Commission should solicit comments regarding the adoption of efficient nondiscriminatory procedures for the NANP administrator to follow in discharging its responsibilities.")

cards while other IXCs could only use the CIID card format, which did not include existing RAO codes.¹⁰

On March 26, 1990 -- six weeks after the Department's finding that the continued acceptance by the BOCs of RAO-based cards was prohibited by the decree -- AT&T unveiled a new RAO-based proprietary calling card/credit card program. On April 27, 1990, the BOCs filed revisions to their CIID Calling Card Plan then before the Court. They explained that in the weeks after the Department's filing on RAO cards, they

¹⁰ The Department stated that:

We find no merit to the contention that because the RAO codes used on AT&T's proprietary cards were assigned by Bellcore to independent telephone companies or Caribbean countries, which apparently allowed AT&T to use them, the BOCs are not discriminating by honoring these cards while Bellcore offers only the CIID codes to other carriers. We cannot determine from available information exactly what contractual or other rights Bellcore may have to prevent AT&T from issuing calling cards using RAO codes assigned by Bellcore to non-BOC local exchange carriers. But Bellcore is ultimately responsible for the availability of these RAO codes to AT&T; Bellcore made the decision not to assign RAO codes to other interexchange carriers; and the BOCs can decide which interexchange carrier card formats they will accept. In these circumstances, and because the BOCs have provided no justification for their continued acceptance of the AT&T RAO cards, we think that the decree requires the BOCs to cease honoring AT&T's RAO cards, unless Bellcore assigns RAO codes to other interexchange carriers that request such codes.

Memorandum of the United States in Response to the Court's Order of December 12, 1989 concerning BOC acceptance of Interexchange Calling Cards in CIID Format at 9-10, No. 82-0192 (D.D.C. Feb. 8, 1990).

had been approached by AT&T and asked "that the CIID plan be modified in a way that would . . . result in the conversion of these AT&T RAO cards to CIID cards."¹¹ The BOCs were willing to accommodate AT&T if the court approved the revision which it did. Thus, the BOCs, through Bellcore, modified their CIID card procedures to accommodate AT&T to the detriment of its competitors.

The Commission has also recognized the importance of a neutral number administrator in the 800 Database Proceeding.¹² In that docket, the Commission approved a plan in response to the objections of IXCs, in which the responsibility for administering the 800 database would be transferred from Bellcore to an independent consultant.¹³ Surely, if the administrator of a single database requires a neutral administrator, the Commission has cause to review potential conflicts of interest in the administration of the entire North American Numbering Plan.

III. CONCLUSION

CompTel supports the NARUC Petition and urges the Commission to initiate an NOI on the administration of the

¹¹ Supplemental Memorandum of the Bell Operating Companies on Calling Card Acceptance at 3, No. 82-0192, (D.D.C. April 27, 1990).

¹² Provision of Access for 800 Service, 4 FCC Rcd 2824 (1989), recon. and Supp. NPRM, FCC 91-249, Mimeo No. 38219 (rel. Sept. 4, 1991).

¹³ 4 FCC Rcd. at 2835.

NANP. The expansion of competition in the telecommunications industry in the last decade has depleted the telephone numbering system, which has now become a scarce resource. Moreover, as the BOCs become increasingly involved in the provision of services beyond exchange communications, the propriety of Bellcore continuing in the role of NANP administrator should be reviewed.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I, Carol Konovodoff, hereby certify that on the 17th day of January, 1992, I caused a copy of the foregoing Joint Supplemental Comments to be mailed by postage-prepaid, first class mail to the following parties:

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